ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

-v.-

SPYRIDON ADONDAKIS,
a/k/a "Sam Adondakis,"

Defendant.

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11 CRIM 360

INFORMATION

11 Cr. ___

USDC SDNY
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JUDGE KEENAN

COUNT ONE

(Conspiracy to Commit Securities Fraud)

The United States Attorney charges:

Relevant Entities and Individuals

1. From in or about 2006 through in or about May 2010, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, worked as a research analyst for a hedge fund based in New York, New York ("Hedge Fund A"). At certain times relevant to this Information, Hedge Fund A had approximately $4 billion in assets under management.

The Insider Trading Scheme

2. From at least in or about 2007 through in or about 2010, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, and others known and unknown, conspired to engage in insider trading. In furtherance of the conspiracy, ADONDAKIS, together with one or more coconspirators at Hedge Fund A (the "Hedge Fund A Coconspirators"), obtained material, nonpublic information ("Inside Information") from certain other coconspirators (and in

certain cases, exchanged Inside Information with such coconspirators), known and unknown, including one or more coconspirators at other hedge funds and investment firms (the "Hedge Fund/Investment Firm Coconspirators"), for the purpose of executing profitable securities transactions on the basis of the Inside Information for the benefit of Hedge Fund A.

3. In addition, in furtherance of the conspiracy, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, certain of the Hedge Fund/Investment Firm Coconspirators, and others known and unknown, utilized expert networking firms, including a firm whose main office was located in Mountain View, California (the "Firm"), to gain and/or facilitate access to employees at public companies ("Firm Consultants") who in turn provided Inside Information. The Firm paid the Firm Consultants to provide information to its clients ("Firm Clients"). The Firm Clients included Hedge Fund A and other hedge funds at which the Hedge Fund/Investment Firm Coconspirators worked. The Firm Clients paid money to the Firm to gain access to the Firm Consultants.

4. SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Coconspirators, and the Hedge Fund/Investment Firm Coconspirators obtained Inside Information directly and indirectly from public company employees, including the Firm Consultants. The Inside Information related to various technology companies whose shares are traded on public exchanges

(the "Technology Companies"). The Inside Information included information relating to earnings, revenues, gross margins, and other confidential and material business developments of the Technology Companies.

5. The Inside Information provided to SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Coconspirators, the Hedge Fund/Investment Firm Coconspirators, and others known and unknown, was obtained in violation of: (i) fiduciary and other duties of trust and confidence owed by the employees of the Technology Companies to their employers; (ii) expectations of confidentiality held by the Technology Companies; and (iii) written policies of the Technology Companies regarding the use and safekeeping of Inside Information.

6. As a part of the scheme, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, exchanged Inside Information with the Hedge Fund/Investment Firm Coconspirators by email. In addition, ADONDAKIS often forwarded by email the Inside Information he received from the Hedge Fund/Investment Firm Coconspirators to the Hedge Fund A Coconspirators. However, with respect to certain, particularly sensitive Inside Information, ADONDAKIS, the Hedge Fund/Investment Firm Coconspirators, and the Hedge Fund A Coconspirators often used the telephone, and not emails, as a means to share the Inside Information.

7. On the basis of the Inside Information that SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, obtained from both the Hedge Fund/Investment Firm Coconspirators and the Firm Consultants, the Hedge Fund A Coconspirators, and others known and unknown, executed transactions and caused others to execute transactions in the securities of the Technology Companies, earning substantial sums in unlawful profits.

8. For example, in or about 2008, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, obtained Inside Information pertaining to Dell, Inc. ("Dell"), which traded on the NASDAQ, from certain of the Hedge Fund/Investment Firm Coconspirators. The Inside Information, which included information concerning Dell's revenue and gross margin numbers, was obtained before that information was made public in connection with the company's quarterly earnings announcements. ADONDAKIS provided the Inside Information to the Hedge Fund A Coconspirators in advance of the quarterly announcements, and one or more of the Hedge Fund A Coconspirators executed or caused to be executed transactions in securities of Dell based on the Inside Information, earning millions of dollars in profits for the benefit of Hedge Fund A.

9. Specifically, in advance of Dell's May 29, 2008 quarterly earnings announcement, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, received Inside Information indicating that Dell's revenue and margin numbers would be higher than the

prevailing market expectations. ADONDAKIS provided this Inside Information to one or more of the Hedge Fund A Coconspirators. Based in part on that Inside Information, between on or about May 13, 2008 and May 28, 2008, one or more of the Hedge Fund A Coconspirators purchased or caused to be purchased approximately 1.7 millions shares of Dell stock. Additionally, on or about May 12, 2008, based in part on the same Inside Information, one or more of the Hedge Fund A Coconspirators purchased option contracts in Dell. Shortly after Dell's May 29, 2008 quarterly earnings announcement, which caused the price of Dell shares to increase by more than 5%, one or more of the Hedge Fund A Coconspirators sold the recently purchased Dell stock and option contracts, realizing a profit of over $4 million for Hedge Fund A.

10. Additionally, in advance of Dell's August 28, 2008 quarterly announcement, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, received Inside Information indicating that Dell's gross margins would be materially lower than the prevailing market expectations. ADONDAKIS provided this Inside Information to one or more of the Hedge Fund A Coconspirators. Based in part on that Inside Information, between on or about July 8, 2008 and August 28, 2008, one or more of the Hedge Fund A Coconspirators sold short approximately nine million shares of Dell stock. Additionally, between on or about August 11, 2008 and August 26, 2008, based in part on the same Inside Information, one or more of

the Hedge Fund A Coconspirators purchased option contracts in Dell. Shortly after Dell's August 28, 2008 quarterly earnings announcement, which caused the price of Dell shares to drop by approximately 13%, one or more of the Hedge Fund A Coconspirators covered Hedge Fund A's entire short position in Dell and sold all of the Dell option contracts purchased by Hedge Fund A, realizing a profit of over $50 million for Hedge Fund A.

The Conspiracy

11. From at least in or about 2007 through in or about 2010, in the Southern District of New York and elsewhere, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Conspirators, the Hedge Fund/Investment Firm Coconspirators, the Firm Consultants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

Object of the Conspiracy

Securities Fraud

12. It was a part and an object of the conspiracy that SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Coconspirators, the Hedge Fund/Investment Firm Coconspirators, the Firm Consultants, and others known and

unknown, unlawfully, willfully, and knowingly, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, would and did use and employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon any person, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2.

Means and Methods of the Conspiracy

13. Among the means and methods by which SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Coconspirators, the Hedge Fund/Investment Firm Coconspirators, the Firm Consultants, and others known and unknown, would and did carry out the conspiracy were the following:

a. ADONDAKIS obtained Inside Information directly and indirectly from employees of public companies, including the

Firm Consultants, that had been disclosed by those employees in violation of duties of trust and confidence.

b. ADONDAKIS and the Hedge Fund/Investment Firm Coconspirators shared with each other Inside Information that they obtained from public company employees, including the Firm Consultants.

c. ADONDAKIS provided the Inside Information that he obtained from the Hedge Fund/Investment Firm Coconspirators, the Firm Consultants, and others known and unknown, to the Hedge Fund A Coconspirators.

d. The Hedge Fund A Coconspirators used the Inside Information to execute and to cause others to execute profitable securities transactions at Hedge Fund A in numerous public companies, knowing that the information had been disclosed by public company employees in violation of duties of trust and confidence owed to their employers.

Overt Acts

14. In furtherance of the conspiracy, and to effect the illegal object thereof, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, the Hedge Fund A Coconspirators, the Hedge Fund/Investment Firm Coconspirators, the Firm Consultants, and others known and unknown committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about August 2008, ADONDAKIS, while working at Hedge Fund A, located in New York, New York, obtained Inside Information pertaining to Dell from certain of the Hedge Fund/Investment Firm Coconspirators.

b. On or about August 27, 2008, ADONDAKIS had a telephone call with the Hedge Fund A Coconspirators, one or more of whom were located in New York, New York, during which ADONDAKIS discussed Inside Information pertaining to Dell.

c. In or about August and September 2008, one or more of the Hedge Fund A Coconspirators caused Hedge Fund A to execute securities transactions in Dell on the basis of the Inside Information provided by ADONDAKIS.

d. On or about February 10, 2009, ADONDAKIS received an email from one of the Hedge Fund/Investment Firm Coconspirators containing Inside Information concerning another technology company.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Securities Fraud)

The United States Attorney further charges:

15. The allegations contained in paragraphs 1 through 10 and 13 through 14 are repeated and realleged as though fully set forth herein.

16. From at least in or about 2007 through in or about 2010, in the Southern District of New York and elsewhere, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, unlawfully, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, ADONDAKIS received Inside Information from, among others, the Hedge Fund/Investment Firm Coconspirators and the Firm Consultants, and relayed such Inside Information to the Hedge Fund A Coconspirators, who in turn effected securities transactions based on such Inside Information.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2; and Title 18, United States Code, Section 2.)

FORFEITURE ALLEGATION

17. As a result of committing both of the foregoing securities fraud offenses alleged in Counts One and Two of this Information, SPYRIDON ADONDAKIS, a/k/a "Sam Adondakis," the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the securities fraud offenses, including but not limited to the following:

Money Judgment

a. At least a sum of money in United States currency which was derived from proceeds traceable to the commission of the securities fraud offenses.

Substitute Assets Provision

18. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981; Title 28, United States Code, Section 2461; Title 18, United States Code, Sections 371 and 2; Title 15, United States Code, Sections 78j(b) and 78ff; and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2).

Preet Bharara
PREET BHARARA MG
United States Attorney

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UNITED STATES OF AMERICA

- v -

SAM ADONDAKIS,

Defendant.

INFORMATION

11 Cr. ____ (JFK)

(18 U.S.C. §§ 371, 2
15 U.S.C. §§ 78j(b), and 78ff)

PREET BHARARA
United States Attorney.

4-25-11 (WR): Filed information & waiver of indictment.